

REMARKS

Claims 1, 3, 10-18, 20-21 were examined and reported in the Office Action. Claims 1, 3, 10-18, 20-21 are rejected. Claim 18 is amended. Claims 1-3, 10-18 and 20-21 remain.

Applicant requests reconsideration of the application in view of the following remarks.

I. 35 U.S.C. § 103(a)

A. It is asserted in the Office Action that claims 1, 3, 10-18, and 20-21 are rejected in the Office Action under 35 U.S.C. § 103(a) as being unpatentable over EP 0829,830 issued to Hirokawa ("Hirokawa") in view of "Smart Cards," Catherine A. Allen and William J. Barr, with Ron Schultz, 1997, page 52 ("Smart Cards"). Applicant respectfully disagrees.

According to MPEP 2142 "[t]o establish a prima facie case of obviousness, three basic criteria must be met. First, there must be some suggestion or motivation, either in the references themselves or in the knowledge generally available to one of ordinary skill in the art, to modify the reference or to combine reference teachings. Second, there must be a reasonable expectation of success. Finally, the prior art reference (or references when combined) must teach or suggest all the claim limitations. The teaching or suggestion to make the claimed combination and the reasonable expectation of success must both be found in the prior art, and not based on applicant's disclosure." (*In re Vaeck*, 947 F.2d 488, 20 USPQ2d 1438 (Fed. Cir. 1991)). Further, according to MPEP 2143.03, "[t]o establish prima facie obviousness of a claimed invention, all the claim limitations must be taught or suggested by the prior art. (*In re Royka*, 490 F.2d 981, 180 USPQ 580 (CCPA 1974))." "*All words in a claim must be considered in judging the patentability of that claim against the prior art.*" (*In re Wilson*, 424 F.2d 1382, 1385, 165 USPQ 494, 496 (CCPA 1970), emphasis added).

Applicant's claim 1 contains the limitations of "[p]rocess for managing an electronic transaction with a trader by means of a bank card of the category with a microprocessor chip and of a reading terminal able to interact with said card... wherein

the first counter automatically stores said incremented value when the value of the amount of the transaction is below the first threshold, the amount thus incremented being submitted by the card to the bank for debit of the bearer's account when a procedure for authenticating the bearer of the card is instigated."

Applicant's amended claim 18 contains the limitations of "[m]icroprocessor chip card intended to be used to carry out electronic transactions, said microprocessor chip card comprising means for performing a first comparison step where said chip card compares this amount with a first threshold value and instigates a bearer authentication procedure when this amount is above said first threshold, means for performing a second comparison step, said second comparison step is performed when the amount of the transaction is below said first threshold, said second comparison step compares with a second threshold value an incremented value of a first counter, ... said chip card further comprising memory means for storing one of one or more threshold values and counter values and one or more counter values, as well as means of comparison, means for submitting to the bank the amount thus incremented for debit of the bearer's account when a procedure for authenticating the bearer of the card is instigated."

Applicant's claim 20 contains the limitations of "[t]erminal for reading microprocessor chip cards, intended to be used to carry out electronic transactions, wherein said terminal comprises means for sending a signal to a microprocessor chip card, said signal indicating an amount of a transaction, wherein based on said signal, said chip card performs a first comparison step where said chip card compares the transaction amount with a first threshold value and instigates a bearer authentication procedure when this amount is above said first threshold, performs a second comparison step when the amount of the transaction is below said first threshold, said second comparison step compares with a second threshold value an incremented value of a first counter, said first counter being an aggregate of small amounts counter and being successively incremented by values of amounts of transaction in cases where said amounts are below said first threshold, said incremented value corresponding to the previous value of said first counter, incremented by the value of the amount of

transaction, and instigates a procedure for authenticating the bearer of the card depending on the result of this second comparison."

Applicant agrees with the assertion in the Office Action that Hirokawa does not teach, disclose or suggest that the incremented amount stored when the value of the transaction is below the threshold is forwarded to the bank for debit of the bearer's account when a procedure for authentication is instigated. Applicant, however, respectfully traverses that the card disclosed in Hirokawa "performs a first comparison step where it compares this amount with a first threshold value and instigates a bearer authentication procedure when this amount is above said threshold." (See Office Action, page 3, lines 3 - 5). In fact, Hirokawa discloses two verifications are performed:

- a first test permits to see whether the amount of transaction is or is not above a maximum authorized value: (Hirokawa, column 7, lines 13 – 17, "upper limit of the transaction amount permitted for one transaction" - limitation value 52 on figure 2;
- a second test (Hirokawa, column 7, lines 18 - 22) related to the amount of money still stored on the work area 53 (S215).

It is, however, important to note that Hirokawa does not give any indication as to the proceedings in the case where the amount to be paid is above limitation value 52 or above the amount of money stored in the work area 53. The transaction is probably then not authorized or the card, which a prepaid type card, is reloaded). Applicant respectfully stresses that it is incorrect to assert that a bearer authentication procedure is instigated when the amount to be paid is above the first threshold.

Applicant notes that the teaching asserted by Smart Cards is very limited. What can be understood from the few lines at the end of page 52 is that it had been proposed that a smart card with a cash function co-exists with magnetic strip cards. But the cash function, which is referred to, is nothing more but a pre-paid card, which is disposable or re-loadable. And, contrary the pre-paid card in Smart Cards, there is no reason why

with this cash function, the incremented amount would be forwarded to the bank for debit of the bearer's account when an authentication is instigated.

Moreover, even if Smart Cards is combined with Hirokawa, Applicant asserts that Hirokawa does not teach, at all, the use of a threshold value above which the card would work as a classical banking card, and under which the small payments would be incremented.

Further, Hirokawa does not teach the use of the banking system when the amount to be paid is above the first threshold. To the contrary, Hirokawa does not give any indication as to what happens when the amount to be paid is above this threshold. Smart Cards does not teach, disclose or suggest this point. And, nothing indicates that there could be a switch between the cash function and the banking system, depending on the value of the amount to be paid.

Still further, it should also be noted that the combination of Hirokawa and Smart Cards would not at all provide a method according to Applicant's claimed invention, but would provide a different electronic transaction method. In particular, both Hirokawa and Smart Cards provide systems where a pre-loading of the card is necessary. Therefore, with both Hirokawa and Smart Cards, the bearer's bank account is debited before the use of the card, which is distinguishable from Applicant's claimed invention, in particular with the limitation of "when a procedure for authentication is instigated." In other words, the combination of Hirokawa and Smart Cards could only lead to a mixed system with a preloaded electronic purse, whereas Applicant's claimed invention permits to get rid of the preloaded electronic purse system and only uses either the classical banking network or through-card banking compensation systems.

With Applicant's claimed invention, getting rid of the electronic purse mechanisms improves the security of the transactions. As explained in the introduction of Applicant's specification, it may happen in certain circumstances that an electronic purse, such as those described in Hirokawa and contemplated in Smart Cards, registers a debit although the transaction is not taken into account by the reading apparatus.

With Applicant's claimed invention, however, the transaction will be performed either through the usual banking card systems or through a particular compensation bank entity. Clearly Applicant's claimed invention provides higher security both for the bearer of the card and for the trader.

Therefore, since neither Hirokawa, Smart Cards, nor the combination of the two teach, disclose or suggest all the limitations of Applicant's claims 1, 18 and 20 as listed above, there would not be any motivation to arrive at Applicant's claimed invention. Thus, Applicant's claims 1, 18 and 20 are not obvious over Hirokawa in view of Smart Cards since a *prima facie* case of obviousness has not been met under MPEP 2142. Additionally, the claims that directly or indirectly depend from Applicant's claims 1 and 20, namely claims 3 and 10-17, and 21, respectively, are also not obvious over Hirokawa in view of Smart Cards for the above same reason.

Accordingly, withdrawal of the 35 U.S.C. § 103(a) rejections for claims 1, 3, 10-18, and 20-21 are respectfully requested.



CONCLUSION

In view of the foregoing, it is believed that all claims now pending, namely 1-3, 10-18 and 20-21, patentably define the subject invention over the prior art of record and are in condition for allowance and such action is earnestly solicited at the earliest possible date.

If necessary, the Commissioner is hereby authorized in this, concurrent and future replies, to charge payment or credit any overpayment to Deposit Account No. 02-2666 for any additional fees required under 37 C.F.R. §§ 1.16 or 1.17, particularly extension of time fees.

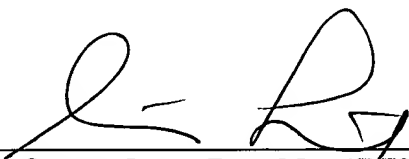
PETITION FOR EXTENSION OF TIME

Per 37 C.F.R. 1.136(a) and in connection with the Office Action mailed on May 20, 2004, Applicant respectfully petitions Commissioner for a two (2) month extension of time, extending the period for response to Wednesday, October 20, 2004. Attached is a check in the amount of \$110.00 to cover the Petition filing fee for a 37 C.F.R. 1.17(a)(1) large entity. A duplicate copy of this sheet is enclosed.

Respectfully submitted,

BLAKELY SOKOLOFF TAYLOR & ZAFMAN LLP

Dated: September 28, 2004

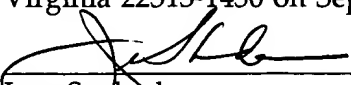


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CERTIFICATE OF MAILING:

I hereby certify that this correspondence is being deposited with the United States Postal Service as first class mail, with sufficient postage, in an envelope addressed to: Mail Stop AF, Commissioner of Patents, P. O. Box 1450, Alexandria, Virginia 22313-1450 on September 28, 2004.



Jean Svoboda